



Economic Impact Analysis Virginia Department of Planning and Budget

9 VAC 25-260 – Water Quality Standards
Department of Environmental Quality
August 16, 2010

Summary of the Proposed Amendments to Regulation

The State Water Control Board (Board) proposes to incorporate the latest United States Environmental Protection Agency (EPA) Chesapeake Bay Criteria Assessment Protocols Addenda into these regulations.

Result of Analysis

The benefits likely exceed the costs for all proposed changes.

Estimated Economic Impact

In reference to whether various specified criteria for the protection of the Chesapeake Bay are met, the current and proposed regulations state that

Attainment of these criteria shall be assessed through comparison of the generated cumulative frequency distribution of the monitoring data to the applicable criteria reference curve for each designated use. If the monitoring data cumulative frequency curve is completely contained inside the reference curve, then the segment is in attainment of the designated use.

The regulations list the EPA documents that specify the reference curves and procedures to be followed. The Board proposes to add the October 2007, September 2008, and May 2010 Chesapeake Bay Criteria Assessment Protocols Addenda to the list of EPA documents that specify the reference curves and procedures to be followed.

In practice this will produce three changes. First, chlorophyll level data will be averaged with a geometric mean rather than an arithmetic mean. This will reduce the likelihood that a spike in the data will produce an average that is not reflective of the most common data readings. This will slightly reduce the chance that chlorophyll levels for a Chesapeake Bay segment will be deemed unacceptable due to a single outlier reading. Second, a different methodology that will more accurately reflect levels of dissolved oxygen will be used. Third, reference curves have been updated to reflect the best current available information. Neither the different methodology for measuring dissolved oxygen nor the updating of reference curves is expected to greatly affect the likelihood of whether Chesapeake Bay segment will be deemed to be meeting water quality standards, but will be beneficial in that the accuracy of information produced for consideration will likely be moderately improved.

Businesses and Entities Affected

These regulations affect entities with point source permitted discharges greater than 0.5 million gallons per day (MGD) with nutrients and oxygen demanding substances in their discharge. This includes sewage treatment plants, food processing (poultry and seafood), chemical and pulp and paper industries.

Localities Particularly Affected

These regulations particularly affect localities containing or adjacent to the Chesapeake Bay, Potomac River, Rappahannock River, Corrotoman River, Piankatank River, Mattaponi River, Pamunkey River, York River, Mobjack Bay, James River, Appomattox River, Chickahominy River, Elizabeth River, Lafayette River, Lynnhaven River, Pocomoke River, and Tangier Sound.

Projected Impact on Employment

The proposal amendments are unlikely to significantly affect employment.

Effects on the Use and Value of Private Property

The proposed amendments are unlikely to significantly affect the use and value of private property.

Small Businesses: Costs and Other Effects

The proposed amendments are unlikely to significantly affect small businesses.

Small Businesses: Alternative Method that Minimizes Adverse Impact

The proposed amendments are unlikely to significantly affect small businesses.

Real Estate Development Costs

The proposed amendments are unlikely to significantly affect real estate development costs.

Legal Mandate

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.04 of the Administrative Process Act and Executive Order Number 14 (10). Section 2.2-4007.04 requires that such economic impact analyses include, but need not be limited to, the projected number of businesses or other entities to whom the regulation would apply, the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to be affected, the projected costs to affected businesses or entities to implement or comply with the regulation, and the impact on the use and value of private property. Further, if the proposed regulation has adverse effect on small businesses, Section 2.2-4007.04 requires that such economic impact analyses include (i) an identification and estimate of the number of small businesses subject to the regulation; (ii) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the regulation, including the type of professional skills necessary for preparing required reports and other documents; (iii) a statement of the probable effect of the regulation on affected small businesses; and (iv) a description of any less intrusive or less costly alternative methods of achieving the purpose of the

regulation. The analysis presented above represents DPB's best estimate of these economic impacts.